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SUBJECT: NEW HUMANITARIAN FUND FOR BURMA?

REF: RANGOON 1202

1. (SBU) A consultant to the Rangoon UN Resident Coordinator's office presented a draft proposal for a new Humanitarian Fund at a December 12 meeting of members of the international community. The new program would partially address the funding gap caused by the Global Fund's termination by creating a single "communicable disease program" based on Burma's National Strategies to combat malaria, TB and HIV/AIDS. The Fund, with initial backing from DFID (UK's development arm), AusAID, the EC, Netherlands, Sweden and Norway, and possibly Japan, would be a mechanism to deliver humanitarian aid in an environment "constrained by politics," according to the presenter. It appears that this fund will actually try to work more closely with the government rather than through NGOs as has been the goal of previous health assistance programs. End summary.

2. (SBU) Representatives from embassies, NGOs, UN offices and aid organizations attended a December 12 presentation by Paul Thornton, a consultant to the UN Resident Coordinator's Office, who described a draft proposal for a new Humanitarian Fund for Communicable Diseases, designed to fill some of the gap left by the Global Fund's termination of its program to fight malaria, TB and HIV/AIDS in Burma (reftel). Thornton described the new Fund as a humanitarian response to the three epidemics in a constrained public health environment, to be funded by a donor consortium, and chaired by the Ministry of Health. The program would be based on Burma's National Strategies for each of the three diseases. With their participation, the donors would support the overall Strategies, not individual programs.

3. (SBU) The proposed design has two sides. On one side, the Ministry of Health would chair a Program for Communicable Diseases Coordination Group, which would be supported by a strategic and technical group for each disease. These would be composed of government, NGO and civil society entities. The Communicable Diseases Coordination Group would maintain a dialogue, facilitated by the UN Resident Coordinator, with the donor-supported Humanitarian Fund. The Fund Manager would decide which aspects of Burma's National Strategies to support with funding for programs, and will supervise contracted agents, who would perform all aspects of grant management.

4. (SBU) Thornton said the Fund has the initial support of DFID (Britain's aid organization), AusAID, the EC, Norway, the Netherlands and Sweden. Japan had expressed interest in future participation. A DFID representative said the donor consortium planned to refine the program content, agree on required resources, and identify sources of funding before presenting it to donors' headquarters in January.

5. (SBU) Opening the meeting, UN Resident Coordinator Charles Petrie said there is no crisis in Burma now, but there are pockets of suffering, especially in the health sector, in the population's inability to cope with economic stresses, and with the decline in education. If these trends continue, he warned, there could be a humanitarian crisis in the future. He said the environment is difficult, but there is more space to conduct humanitarian work now than three years ago. Problems Petrie enumerated include travel, access to officials and vulnerable populations, politicization of NGO activities and the move to Pynimana. However, he concluded that these are no worse than problems faced in other countries.

6. (SBU) Many questions still must be addressed before the proposal is in a form acceptable to donors. Basic concerns include the independence of the Fund Manager to choose projects, the feasibility of the Fund Manager deciding which aspects of the National Strategies to fund, monitoring and accountability of funds and projects, maintenance of the EU Common Position regarding assistance, vulnerability to international critics, and the lack of donor control over final use of funds. Since the Fund will directly support the GOB, USG assistance is not envisioned.

7. (SBU) Comment: In meetings later in the week, participants expressed satisfaction that the donor representatives had given initial approval to continue with

the Fund development. Headquarters offices may prove more demanding, especially since a recent auditor report of projects conducted under the existing government/donor mechanism, the Fund for HIV/AIDS in Myanmar (FHAM) showed problems with inappropriate procurement practices, use of varying exchange rates and insufficient documentation. Although the GOB's reneging on access was the primary reason for the Global Fund's demise, questions had also been raised about its monitoring mechanisms. The Fund design would have to address those shortcomings.

18. (SBU) Comment continued: We also find the plan to work more closely with the government odd in the current environment. A number of presentations made during the day noted that, in some cases, fewer than 25% of the victims of disease are treated by the public health sector. The remainder go to private physicians, practitioners and naturopathic healers. We believe that donors have ample space to address health problems without relying on the government. End comment.

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